AB 2021 Implementation Workshop II
Wednesday, June 13, 2007

9 a.m. - 1 p.m.

Assembly Bill 2021 (Levine, 2006) requires that the Energy Commission, in consultation with the CPUC and local publicly-owned utilities (POUs) in a public process, develop a statewide estimate of "all potentially achievable cost-effective electricity and natural gas efficiency savings and establish statewide annual targets for efficiency savings and demand reduction" over the next 10-year period. The first workshop (April 20) focused on legislative intent, work in progress, and process issues. This second workshop (June 13) will cover energy efficiency target and program development, resource planning, and measuring progress toward the targets. The third workshop to be held in early August 2007 will present the findings and draft recommendations of the Energy Commission and CPUC. The Energy Commission and CPUC's final recommendations will be presented at the fourth (and last) workshop in late August 2007.

Achievable Potential and its Relationship to Targets

1. By what methods do POUs translate achievable potential into targets? How does the achievable potential compare to existing energy efficiency programs?

2. What are criteria for evaluating the reasonableness of the assumptions and methodologies used for establishing potential? (e.g., avoided costs, natural gas forecasts, discount rates, and measure savings in kWh, KW and therms).

3. What POU policies may impact the development of efficiency potential and targets?

4. Do environmental factors apply in POU's efficiency decision making? If so, how?

5. How might the fulfillment of savings targets impact incremental electric load growth, rate changes, or other important utility concerns?

6. What activities or end uses are included in the definition of "energy efficiency" potential and included in the energy efficiency targets?

Program Development Issues

7. How will funding sources and amounts be determined?

8. What factors play a role in POU program development? Which of these factors may be unique to POUs or specific POUs?

9. What is historical program performance? How quickly did programs ramp

up? How does the historical ramp up rate compare to the proposed target ramp up rates?

10. Going forward, what factors should be considered in determining how quickly to "ramp up" energy efficiency savings to achieve all cost-effective savings?

Efficiency in Resource Planning

Public Utilities Code Sections 454.5(b)(9)(C) and 9615 requires each utility to "first meet its unmet resource needs through all available energy efficiency and demand reduction resources that are cost effective, reliable, and feasible." AB 2021 further directs each publicly-owned utility to treat investments in energy efficiency as procurement investments.

11. How do utilities currently integrate energy efficiency into their resource procurement process? Are there current barriers in the procurement process that make it difficult to consider investments in energy efficiency as procurement investments? How might these barriers be overcome?

12. What information will be needed to determine whether utilities are treating investments in efficiency as procurement investments?

POU Program Monitoring and Measurement

1. How does the POU expect to carry out and use the mandated "independent evaluation"? What will this evaluation include?

2. How should the Energy Commission determine what constitutes an "independent evaluation"? How should the Commission use the evaluation to judge POU progress toward full implementation of AB 2021?

3. How will the POU know its on track to meet its annual target?

4. Are POUs planning any other types of evaluation in addition to the prescribed "independent evaluation"? What will be the objectives of this evaluation and how often would it be scheduled?

5. What existing resources and experience can assist the POUs in measuring and verifying energy savings?

6. What metrics should the Energy Commission use to review the reasonableness of energy savings targets received from the POUs? Are these the same metrics to use in comparing IOUs and POUs?

    - Energy savings as a percent of economic potential?
    - Energy Savings as a percent of sales?
    - Efficiency investments as a percent of revenues?
    - Net resource benefits or cost effectiveness ($/kWh)?
    - Total Resource Cost Test?
    - Avoided costs?
    - Others?

7. What actions could the Energy Commission take to reward the POUs that are on or ahead of track? How could the Energy Commission discourage consistent lack of progress?